

# Instructions for 1999 Wisconsin Form 4-ES — Corporation Estimated Tax

## GENERAL INSTRUCTIONS

### Item to Note

For taxable years ending before April 1, 1999, "estimated tax" includes the temporary recycling surcharge. The surcharge is scheduled to expire for taxable years ending on or after April 1, 1999.

### Purpose of Form

Corporations use the 1999 Form 4-ES to make estimated tax payments for taxable years that begin in 1999. In addition, tax-exempt corporations and trusts that have unrelated business taxable income should use Form 4-ES to make estimated payments. Included are 5 vouchers to submit when making estimated payments. If you receive an extension of time to file your return, use the 5th voucher for making an estimated tax payment by the unextended due date of the return.

### Federal Employer Identification Number

Enter the corporation's federal employer identification number (EIN). If you have not yet applied for a federal EIN, you may do so by filing federal Form SS-4 with the Internal Revenue Service.

### Who Must Pay Estimated Tax

Corporations must make estimated tax installment payments unless

- the net tax for the taxable year that begins in 1999 will be less than \$500, or
- the taxable year that began in 1998 was a taxable year of 12 months, the corporation did not have any liability for tax for the taxable year that began in 1998, and the corporation will have net income of less than \$250,000 for the taxable year that begins in 1999.

Tax-exempt corporations and trusts filing Form 4T, Exempt Organization Business Franchise or Income Tax Return, must make estimated tax payments with respect to their unrelated business income tax. The corporate estimated tax rules apply to tax-exempt organizations, except as noted below.

### When to Pay Estimated Tax

In general, the first estimated tax payment is due the 15th day of the 3rd month of the taxable year and is equal to 1/4 of the total estimated tax due (1/4 of the amount on Schedule A, line 8). The payment amounts and due dates for a calendar-year corporation that first meets the filing requirements after February 28 are as follows:

#### If the requirement is met after:

#### Payment is due:

February 28 and  
before June 1 . . . . . June 15

May 31 and  
before September 1 . . . . . September 15

August 31 . . . . . December 15

If the first payment required to be made is due

June 15, enter 1/2;  
September 15, enter 3/4;  
December 15, enter all

of the estimated tax due (Schedule A, line 8) on Schedule B, line 2, in the appropriate column.

Corporations filing returns on other than a calendar year basis should substitute the 15th day of the 3rd, 6th, 9th, and 12th months of the taxable year for the payment due dates of March 15, June 15, September 15, and December 15, respectively. Likewise, the last day of the 2nd, 5th, and 8th months should be substituted for February 28, May 31, and August 31, for purposes of determining when the filing requirement is first met.

### Short Taxable Year

No estimated tax installment is required if the short taxable year is a period of 1 month or less. If the short taxable year is more than 1 month, installments are due as shown:

Number of Months in Short Taxable Year	Number of Required Installments	Installment Due Dates
2-3	1	D
4-6	2	A D
7-9	3	AB D
10-11	4	ABCD

A = the 15th day of the 3rd month of the taxable year

B = the 15th day of the 6th month of the taxable year

C = the 15th day of the 9th month of the taxable year

D = the 15th day of the last month of the taxable year

For more information, see section Tax 2.89, Wisconsin Administrative Code.

### New Corporations

The first franchise or income tax return filed by a corporation is considered to cover an entire 12-month period for purposes of determining estimated tax installment due dates, even though the corporation's first year of Wisconsin operations may cover less than 12 months.

The portion of the estimated tax due for each payment period varies, depending on the number of installments required. If 3 installments are required, 1/2 of the estimated tax is due for the first installment and 1/4 is due for each of the 2 remaining installments.

For example, a new corporation, which begins operations in Wisconsin on March 1, 1999, and which elects to file franchise or income tax returns on a calendar year basis, will be required to make 3 installment payments due June 15, September 15, and December 15. If this new corporation's 1999 estimated tax is \$4,000, \$2,000 would be due June 15 and \$1,000 would be payable for each of the installments due September 15 and December 15.

### Amended Installments

If the original estimate of tax liability is materially altered, you should amend remaining installment payments to reflect the change in estimated tax liability. Complete column B of Schedule A to compute your amended estimated tax and Schedule C to compute your amended installments due.

Determine the amount to enter on Schedule C, line 6, as follows:

- If all 4 installments are being amended, enter 1/4 of Schedule C, line 4, for all 4 periods.
- If only the last 3 installments are being amended, enter 1/2 of Schedule C, line 4, on line 6 for the first amended installment and 1/4 for each of the last 2 installments.
- If only the last 2 installments are being amended, enter 3/4 of Schedule C, line 4, for the first amended installment and 1/4 for the last installment.
- If only the last installment is being amended, enter all of Schedule C, line 4, on line 6.

### Interest on Underpayment of Estimated Tax

If a required installment is not paid by its due date, 12% annual interest may be imposed. The interest is computed on the underpayment of each installment for the period of the underpayment.

The period of the underpayment is the time from the due date of the installment to the earlier of either the date on which it is paid or the 15th day of the 3rd month (5th month for tax-exempt organizations) after the close of the taxable year.

Underpayment interest will not be due if each required payment is timely and the total tax paid

- is at least equal to 90% of the amount of tax shown on the 1999 franchise or income tax return filed;
- is, for corporations with less than \$250,000 of Wisconsin net income, 100% of the tax shown on the 1998 return (a 1998 return must have been filed covering a full 12-month year); or
- is at least equal to 90% of the tax figured by annualizing the taxable income earned for the months ending before the due date of the installment. (Tax-exempt organizations may annualize income for the months of the taxable year ending one month before the installment due date.)

Corporations which compute any installment using the annualized income installment method must increase the next installment due which is not annualized by the amount which the annualized installment was less than a or b above.

Corporations which file returns using the apportionment method may use the apportionment percentage from the return filed for the previous taxable year for computing annualized income installments if (1) the previous year's return is filed by the due date of the installment for which the income is being annualized, and (2) the apportionment percentage on that return is greater than zero.

A multistate corporation that has at least \$250,000 of Wisconsin net income may use the apportionment percentage from its return filed for the previous taxable year for computing annualized income installments if (1) the previous year's return is filed by the due date of the 3rd installment, (2) the apportionment percentage on that return is greater

Schedule A Computation of Estimated Tax		(A) Original Computation	(B) Amended Computation
1	Amount of total estimated net income expected in taxable year that begins in 1999		
2	Percentage of line 1 attributable to Wisconsin		
3	Amount of estimated net income attributable to Wisconsin (multiply line 1 by line 2)		
4	Franchise or income tax (for corporations, 7.9% of income on line 3; trusts use trust rates)		
5	Total estimated credits — sales tax, farmland, community development finance, research, historic, and development zone		
6	Net franchise or income tax (subtract line 5 from line 4)		
7	Temporary recycling surcharge (applies only if taxable year ends <b>before</b> April 1, 1999)		
8	Total estimated tax (add lines 6 and 7)		

  

Schedule B Computation of Installments Due		Installment Number			
		1	2	3	4
1	Enter in columns 1 through 4 the installment due dates that correspond to the 15th day of the 3rd, 6th, 9th, and 12th months of the taxable year.				
2	If 4 installments are due, enter in each column 1/4 of Schedule A, line 8, col. A. If less than 4 installments are due, see instructions under "When to Pay."				
3	Enter any overpayment from your 1998 Form 4, 4I, 4T, 5, or 5S (apply first to col. 1 and carry any unused balance to col. 2, then col. 3, etc.).				
4	Installment amount (subtract line 3 from line 2). Enter here and on installment vouchers.				

  

Schedule C Computation of Amended Installments Due					
1	Enter amended estimated tax from Schedule A, line 8, column B				
2	Enter:	a Amount of overpayment from 1998 Form 4, 4I, 4T, 5, or 5S offset against installments paid to date		a	
	b Amount of payments made to date			b	
3	Total of payments and credits claimed to date (add line 2a and line 2b)				
4	Unpaid balance (subtract line 3 from line 1)				
5	Enter the due dates of remaining installments due (from Schedule B, line 1)				
6	To determine the portion of line 4 to enter for each remaining installment, see instructions under "Amended Installments"				
7	Enter the balance of 1998 overpayment — total overpayment credited from 1998 Form 4, 4I, 4T, 5, or 5S less amount entered on line 2a above (apply first to next installment due and carry any unused balance to the next installment due, etc.)				
8	Amended installments due (subtract line 7 from line 6)				

  

Schedule D Record of Payments						Total
1	1998 overpayment from Form 4, 4I, 4T, 5, or 5S					
2	Date paid					
3	Amount paid	+	+	+	+	=
4	Total 1999 payments (add line 1 and line 3)					

**Keep Schedules A Through D for Your Records**

than zero, and (3) the apportionment percentage used in computing the first 2 installments is not less than the apportionment percentage used on that return.

Underpayment interest will be increased or decreased based on any changes made to the tax originally reported.

Use Form 4U, which is included in the Form 4 and 5 booklets, to determine the amount of any underpayment.

#### Refunds of Estimated Tax Payments

If your installment payments and credits exceed the tax liability for 1999, the overpayment may be refunded, or all or part may be credited to your 2000 estimated tax with any remainder being refunded.

A corporation that has overpaid its estimated tax may apply for a refund before filing its tax return if the overpayment is

- at least 10% of its estimated Wisconsin franchise or income tax liability and
- at least \$500.

To apply, file Form 4466W, Corporation Application for Quick Refund of Overpayment of Estimated Tax, after the end of the taxable year and before filing your tax return. You must subtract refunds obtained through this process from the estimated tax payments that you claim on your tax return.

A corporation which has a tax due when filing its tax return as a result of receiving a "quick refund" will be charged 12% annual interest on the amount of unpaid tax from the date the refund is issued to the earlier of the 15th day of the 3rd month after the close of the taxable year or the date the tax liability is paid. Any tax that remains unpaid after the unextended due date of the tax return continues to be subject to 18% or 12% annual interest, as appropriate.

#### Where to Obtain Assistance

If you need help, call (608) 266-0800 or contact any Department of Revenue office.

#### PAYMENT INSTRUCTIONS

You may make estimated tax payments using electronic funds transfer (EFT). For more information and registration forms, call (608) 264-9918 or write to the EFT Unit, Wisconsin Department of Revenue, P.O. Box 8912, Madison, WI 53708-8912. Otherwise, make your check payable to the Wisconsin Department of Revenue, and mail your estimated tax voucher and payment to:

**Wisconsin Department of Revenue  
Box 93194  
Milwaukee, WI 53293-0194**

Do not mail your 1999 estimated tax voucher with your 1998 franchise or income tax return. They are to be mailed to different locations.